

Chapter 6 ContentsSection 1 – Components of State Funded Revenue

**SECTION 1
COMPONENTS OF STATE FUNDED REVENUE****A) STATE AID**

Legislative guidelines of Public Act 89 of 1977 provide five state aid grants for libraries. The Act also provides the Library of Michigan the ability to administer the five state aid grants. This allows the Library of Michigan to establish minimum standards of various requirements for public libraries and cooperatives seeking state aid and the process for which to distribute the aid.

The amount required to fund all grants listed in Public Act 89 has not yet been achieved through any annual appropriation. Therefore, the per capita amounts of the five grants have been prorated each year to distribute the entire amount of the appropriation. The following grant categories are funded under each annual appropriation for Public Act 89:

- Public Library Cooperatives shall receive 50 cents per capita for their served population.
- Public Libraries shall receive 50 cents per capita for their served population if minimum standards are met.
- Public Libraries that meet minimum standards and are members of a cooperative library shall receive 50 cents per capita to pay for services provided by the cooperative. All or part of this amount may be used to purchase these services.
- A Cooperative shall receive \$10 per square mile for the area it serves if the area has less than 75 persons per square mile.
- County public libraries serving a population of 50,000 or less with a director who meets educational requirements can receive a maximum of \$400 per month or \$4,800 annually for salary reimbursement.

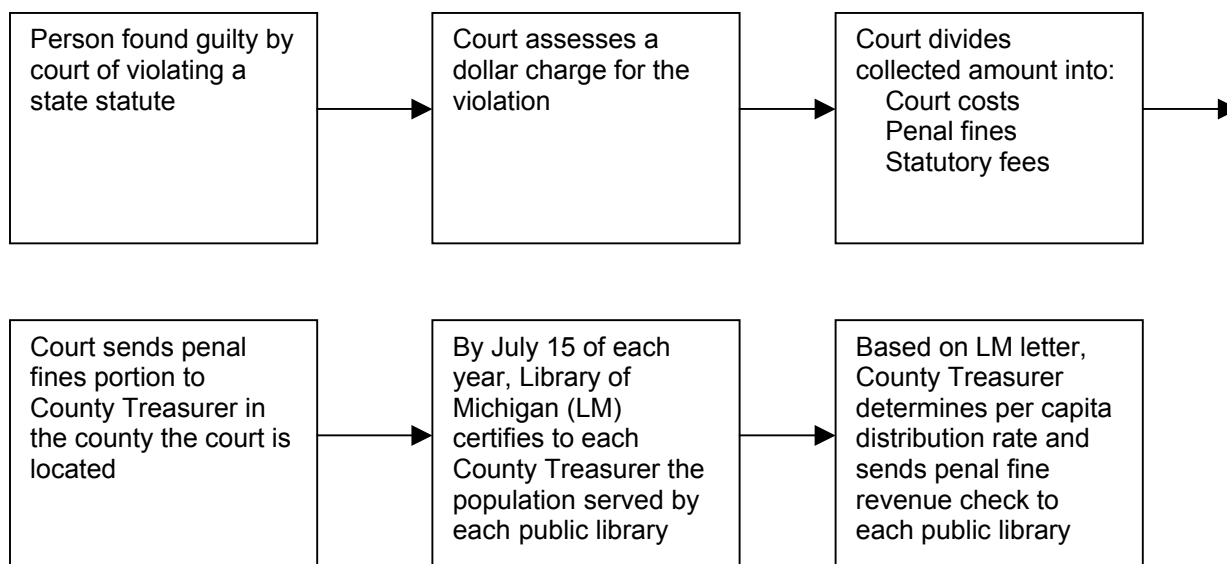
For further information on the grant requirements and guidelines of Public Act 89 of 1977, please refer to the “State Aid Guidelines for Michigan Libraries”, published by the Library of Michigan at:

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B) PENAL FINES

The Constitution of the State Michigan of 1963, requires that all penalties collected for violations of the state penal laws be used for the support of public libraries. The following flow chart illustrates how penal fines are determined and disbursed to public libraries.

Penal Fine Revenue Flow Chart



Penal fines are fines that the court assesses for state criminal violations and civil infractions. To be eligible for penal fine funds, a library must be legally established under state statute and must be open at least 10 hours per week.

Citation:

State Constitution, Article VIII, Section 9
Public Act 59, 1964
Public Act 236, 1961 as amended
Various state statutes establishing public libraries
Michigan Penal Code

For further information regarding penal fines, please refer to the Library of Michigan at:

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C) SINGLE BUSINESS TAX – INVENTORY REIMBURSEMENT

Under the Public Act 228 of 1975 (Single Business Tax Act), personal property inventories were no longer a revenue source for local units of government. However, the state did reimburse local units of government for the lost revenue (e.g. Single Business Tax Inventory Reimbursement).

With the 1998 changes to state shared revenue, the Inventory Reimbursement is no longer in effect. However, the new law requires that all taxing authorities that collect money for a library that levies property taxes shall pay the library the amount the library received for the 1997/1998 fiscal year. This requirement sunsets after 2007. That means that any library that received Inventory Reimbursements should continue to receive the same amount, through 2007. Refer to MCL 141.912a.